

## FIRST AMENDING AGREEMENT TO THE LOAN AGREEMENT

**THIS AGREEMENT** is made as of the 14<sup>th</sup> day of April, 2020,

### **B E T W E E N:**

The Green Organic Dutchman Holdings Ltd., a corporation governed by the laws of Canada (“**TGOD Holdings**”);

- and -

The Green Organic Dutchman Ltd., a corporation governed by the laws of Canada (“**TGOD**”);

- and -

Médican Biologique Inc./Medican Organic Inc., a corporation governed by the laws of the Province of Quebec (“**Medican Organic**”);

- and -

9371-8633 Quebec Inc., a corporation governed by the laws of the Province of Quebec (“**9371 Qc**” and, collectively with TGOD Holdings, TGOD and Medican Organic, the “**Borrowers**”)

- and -

Maynbridge Capital Inc., a corporation governed by the laws of the Province of British Columbia (the “**Lender**”);

- and -

Each of the **Guarantors** (as defined below) party hereto;

### **RECITALS:**

- A. The Lender has made loans and advances available to the Borrowers under the terms of that Loan Agreement made as of December 23, 2019, between the Borrowers, as borrowers, the Lender, as lender, and The Green Organic Hemp Ltd., as guarantor (such Loan Agreement being the “**Original Loan Agreement**”). Capitalized terms not otherwise defined herein shall have the meanings given to them in the Original Loan Agreement.
- B. By the Suretyship agreement entered into as of March 6, 2020, between the Lender, as lender, and HemPoland s.p. z.o.o, as surety, HemPoland s.p. z.o.o. became a Guarantor.

- C. The Borrowers have asked the Lender to (i) accelerate the availability of a Loan Increase in the amount of \$5,000,000, (ii) and make consequential amendments to the Original Loan Agreement, which the Lender has agreed to do, subject to the satisfaction of the various conditions set out herein.

**NOW THEREFORE THIS FIRST AMENDING AGREEMENT WITNESSES** that, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

**1. INTERPRETATION**

**1.3 Amended Loan Agreement**

As and from the date hereof, the Original Loan Agreement is amended by this First Amending Agreement, and any reference in any Loan Document to the “Loan Agreement” shall be deemed a reference to the Original Loan Agreement as amended hereby, and as same may be further amended, extended, restated or replaced from time to time.

**1.4 Preamble**

The preamble shall form an integral part of this First Amending Agreement and shall serve in its interpretation.

**1.5 Governing Law**

This First Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**2. AMENDMENTS TO THE ORIGINAL LOAN AGREEMENT**

**2.3 Additional Definitions**

The Original Loan Agreement is amended, with effect as of and from the date hereof, by adding the following definitions to Section 1.1

“**Additional Warrants**” means 1,500,000 common share purchase warrants of TGOD Holdings, each exercisable at any time and from time to time until the date that is three years after the date of issuance of each such warrant to purchase common shares of TGOD Holdings at a price per share of \$0.39 (subject to customary adjustment mechanisms to reflect any restructuring of the share capital of TGOD Holdings).

“**Cannacord Bought Deal**” means the transaction by which Canaccord Genuity Corp., as underwriter, has agreed to purchase, on a bought deal basis pursuant to the filing of a short form prospectus, an aggregate of 17,858,000 units issued by TGOD Holdings at a price of \$0.28 per Unit (for aggregate gross proceeds to TGOD Holdings of approximately \$5,000,000).

“**Cortland**” means Cortland Credit Lending Corporation.

“**Cortland Credit Agreement**” means the credit agreement dated as of March 31, 2020 among Cortland, in its capacity as administrative agent for the Lenders (as defined therein), and TGOD, as borrower, as same may be amended, extended, restated or replaced from time to time, pursuant to which a revolving credit facility is to be made available to TGOD by the Lenders (as defined therein).

“**Intercreditor Agreement**” means the intercreditor agreement entered into as of March 31, 2020, between Cortland, as the Operating Creditor, the Lender, as the Term Lender, and the Obligors (other than HemPoland s.p. z o.o.), as same may be amended, extended, restated or replaced from time to time.

## 2.4 First Increase Advance

The Original Loan Agreement is amended, with effect as of and from the date hereof, by deleting Section 2.9.1., and replacing it with the following:

*“(a) The Lender shall, upon satisfaction of the conditions precedent set out in Section 8.4, make an additional advance of \$5,000,000 to the Borrowers (the “First Increase Advance”), and (b) The Borrowers may, at any time after September 30, 2020 but prior to the Maturity Date, deliver to the Lender a notice requesting (the “Increase Request”) an additional increase in the Loan (each of the additional advance referred to in (a) above, and each additional request by an Increase Request, are a “Loan Increase”), by an additional principal amount not to exceed \$10,000,000, provided that: (i) no Default or Event of Default has occurred, exists or would occur after giving effect thereto; (ii) all representations and warranties shall be true and correct immediately prior to, and after giving effect to, such Loan Increase; and (iii) the Loan Increase Milestones have been met on or before September 30, 2020, and (iv) the Lender’s credit committee has approved such Loan Increase.”*

## 2.5 Additional Representations and Warranties of the Obligors

The Original Loan Agreement is amended, with effect as of and from the date hereof, by adding the following Sections 5.1.34 to 5.1.38, after the existing Section 5.1.33:

**5.1.34 Warrants and Additional Warrants.** *That TGOD Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the Warrants and Additional Warrants, and the common shares of TGOD Holdings issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the Warrants, and those representing the Additional Warrants will, when issued, represent a valid, legal and binding obligation of TGOD Holdings enforceable in accordance with its terms.*

**5.1.35 Common shares of TGOD Holdings.** *That TGOD Holdings has agreed to: (i) at all times reserve and keep available out of its authorized common shares a sufficient number of common shares to satisfy the right of purchase pursuant to the Warrants and Additional Warrants; (ii) cause the common shares of TGOD Holdings, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Warrants and Additional Warrants to be issued and delivered as directed and such common shares of TGOD Holdings shall be issued as fully paid and non-assessable common shares of TGOD Holdings and the holders thereof shall not be liable to TGOD Holdings or to its creditors in respect thereof.*

**5.1.36 Actions to Issue Warrants and Additional Warrants.** *That TGOD Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all common shares of TGOD Holdings to be issued pursuant to*

*the exercise of the Warrants and Additional Warrants, will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of TGOD Holdings may be listed.*

**5.1.37 Listing of TGOD Holdings' Shares.** *That TGOD Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the TSX (or such other recognized stock exchange as may be agreed upon by TGOD Holdings and the holder of the Warrants and Additional Warrants) and to have the common shares of TGOD Holdings issued pursuant to the exercise of the Warrants and Additional Warrants listed and posted for trading on the TSX (or such other recognized stock exchange as may be agreed upon by TGOD Holdings and the holder of the Warrants and Additional Warrants) as expeditiously as possible.*

**5.1.38 Issuance of common shares of TGOD Holdings.** *That TGOD Holdings has agreed that upon exercise of the Warrants and Additional Warrants, the common shares of TGOD Holdings to be issued pursuant to such exercise, will be issued as fully paid and non-assessable common shares in the capital of TGOD Holdings.*

## **2.6 Amended Affirmative Covenants**

The Original Loan Agreement is amended, with effect as of and from the date hereof, by deleting Sections 6.1.15.1 to 6.1.15.3 and replacing them with the following:

*“6.1.15.1 within 90 days of the Borrowers' fiscal year end, audited financial statements (including a management's discussion and analysis) of the Borrowers on a consolidated basis, together with a certificate of a senior officer of the Borrowers certifying that no Default or Event of Default has occurred hereunder;*

*6.1.15.2 within 45 days of the end of each fiscal quarter of the Borrowers, unaudited financial statements (including a management's discussion and analysis) of the Borrowers on a consolidated basis, together with a certificate of a senior officer of the Borrowers certifying that no Default or Event of Default has occurred hereunder;*

*6.1.15.3 within 20 days of the end of each month, (i) management-prepared monthly financial statements (including profits and loss, balance sheet, schedule of accounts receivable and accounts payable) of the Borrowers on an unconsolidated basis, (ii) monthly statement of accounts from the Receiver General for Canada and any other Governmental Body confirming that all priority payables are in good standing and up to date, (iii) a Compliance Certificate, and (iv) a statement summarizing the advances made and the current outstanding balance under the Cortland Credit Agreement.”*

## **2.7 Additional Affirmative Covenants**

The Original Loan Agreement is amended, with effect as of and from the date hereof, by adding the following Sections 6.1.19 to 6.1.22, after the existing Section 6.1.18:

*6.1.19 “obtain, and cause TGOD Holdings to obtain, conditional approval of the Toronto Stock Exchange to the issue of the Warrants and Additional Warrants as soon as possible and in any event prior to the earlier of the date of the First*

*Increase Advance and May 29, 2020 and use its commercially reasonable efforts to cause the Warrants and Additional Warrants to be issued by the dates required hereunder;*

*6.1.20 cause TGOD Holdings to, at all times, reserve and keep available out of TGOD Holdings' authorized common shares a sufficient number of common shares to satisfy the right of purchase pursuant to the Warrants and Additional Warrants and to issue and deliver the common shares subscribed for and purchased in accordance with the terms and conditions of the Warrants and Additional Warrants to be issued as fully paid and non-assessable common shares of TGOD Holdings;*

*6.1.21 to take all actions, and to cause TGOD Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all common shares of TGOD Holdings to be issued pursuant to the exercise of the Warrants and Additional Warrants, will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of TGOD Holdings may be listed;*

*6.22 It will immediately advise the Lender of a "Default" or "Event of Default" under the Cortland Credit Agreement (as such terms are defined in the Cortland Credit Agreement); and*

*6.23 It will immediately advise the Lender of any request made by Cortland under Section 11(a) of the Cortland Credit Agreement."*

## **2.8 Conditions precedent to First Increase Advance**

The Original Loan Agreement is amended, with effect as of and from the date hereof, by adding the following Section 8.4, after the existing Section 8.3:

### ***"8.4 Conditions Precedent to the First Increase Advance***

*Subject to the satisfaction of the following conditions, which are for the sole and exclusive benefit of the Lender and may be waived in writing by the Lender in its sole discretion, the Lender shall make the First Increase Advance to the Borrowers:*

- 8.4.1. The Lender shall have received, at least 3 Business Days prior to the date on which the Borrowers wish to obtain the requested advance, a Draw Request in the form attached hereto as Exhibit "B", specifying the date on which the advance is to be made;*
- 8.4.2. The Lender shall have been paid a commitment fee in the amount of \$150,000 by the Borrowers, which commitment fee may be retained by the Lender and paid from the proceeds of the First Increase Advance;*
- 8.4.3. The Lender shall have been paid a finder's fee in the amount of \$450,000 by the Borrowers, in connection with the closing of the Cortland Credit Agreement;*
- 8.4.4. The Additional Warrants shall have been issued to the Lender and all required approvals in respect thereof and in respect of the common shares issuable upon due exercise thereof shall have been obtained;*

- 8.4.5. *The Lender shall have been paid all outstanding reasonable legal fees and expenses, including the reasonable fees and expenses of counsel to the Lender in connection with the Cortland Credit Agreement, the Intercreditor Agreement and the preparation of this First Amending Agreement, and such fees and expenses may be retained by the Lender and paid from the proceeds of the First Increase Advance;*
- 8.4.6. *The Lender shall have received satisfactory evidence that accounts payable owing by the Borrowers to the vendors of construction related equipment and supplies, totaling at least \$5,000,000 in the aggregate, shall have been deferred on terms acceptable to the Lender;*
- 8.4.7. *The Lender shall have received satisfactory evidence that an initial advance in the amount of \$10,000,000 shall have been disbursed to TGOD under the Cortland Credit Agreement, and that the Cannaccord Bought Deal shall have closed;*
- 8.4.8. *the representations and warranties made by the Obligors under the Loan Documents shall be true and correct in all material respects as of the date of the First Increase Advance and shall remain true and correct immediately following the making of such advance, except to the extent that such representation and warranty expressly relates to an earlier date (in which event such representation and warranty shall be true and correct as of such earlier date); and*
- 8.4.9. *No Default or Event of Default shall have occurred or be continuing at the time of the First Increase Advance, or would result from the making of such First Increase Advance.”*

## **2.9 Additional Events of Default and Remedies**

The Original Loan Agreement is amended, with effect as of and from the date hereof, by adding the following Sections 9.1.20 to 9.1.23, after the existing Section 9.1.19:

*“9.1.20 TGOD Holdings fails to comply with any of its obligations in respect of the Warrants and Additional Warrants;*

*9.1.21 Under the terms of the Cortland Credit Agreement a “Default” or “Event of Default”, as such terms are defined in the Cortland Credit Agreement, has occurred and is continuing;*

*9.1.22 Any cash or other proceeds, with the exception of payments received from Account Debtors (as defined in the Cortland Credit Agreement) is deposited by the Obligors into the Collections Account (as defined in the Cortland Credit Agreement) and are comingled with the funds that are swept daily by Cortland pursuant to the terms of the Cortland Credit Agreement; and*

*9.1.23 Cortland fails to make an initial advance of at least \$10,000,000 under the Cortland Credit Agreement by May 29, 2020, unless such date is extended, and TGOD remains obligated under the terms of the Cortland Credit Agreement to pay Cortland the “Commitment Fee” and “Warrants”, as such terms are defined in the Cortland Credit Agreement.”*

**3. CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF THIS FIRST AMENDING AGREEMENT**

The effectiveness of this First Amending Agreement, is subject to the satisfaction, or waiver by the Lender, of the each of the following conditions, on or before April 17, 2020:

- (i) Each of the Obligors shall have duly executed and delivered this First Amending Agreement;
- (ii) The Lender shall have received such legal opinions (including with respect to corporate and enforceability matters), resolutions and certificates, as it may deem appropriate; and
- (iii) No Default or Event of Default shall have occurred and be continuing, or result from this First Amending Agreement.

The Lender's fees and costs, including legal fees and expenses, for the drafting, negotiating and implementing of this First Amending Agreement shall be borne by the Borrowers.

**4. REPRESENTATIONS AND WARRANTIES OF THE OBLIGORS**

Each Obligor represents and warrants to the Lender as follows:

- (i) It (i) has the corporate power and authority to execute and deliver this First Amending Agreement and to perform their obligations hereunder, and (ii) has taken all necessary corporate action (including, without limitation, obtaining approval of their shareholders, if necessary) to authorize the execution and delivery of this First Amending Agreement and the performance of their obligations hereunder;
- (ii) The representations and warranties contained in each of the Loan Documents made by each of the Obligors are and will be true, correct and complete in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date;
- (iii) Without in any way limiting the generality of the foregoing, each of the Obligors represent and warrant that, no Event of Default has occurred under the Loan Documents, nor does there, to the knowledge of any of the Borrowers or the Guarantors, exist any fact, event or circumstance which taken together or with the passage of time would give rise to a Default or an Event of Default.

**5. REAFFIRMATION OF SECURITY, NO NOVATION**

Except as amended hereby, the Original Loan Agreement continues in full force and effect, without novation of any of the obligations thereunder. Each Obligor recognizes and agrees that all security, mortgages and hypothecs granted, guarantees made, and other security delivered to or for the benefit of the Lender by the Obligors pursuant to the Loan Documents and any other contract or instrument with Lender

remain in full force and effect and secure all obligations of the Obligors under the Original Loan Agreement, as amended by this First Amending Agreement, and the other Loan Documents and any other contract or instrument with the Lender to which it is a party.

All additional Obligations resulting from this First Amending Agreement shall be covered and secured by all Loan Documents entered into by the Obligors.

The Borrowers (i) reaffirm their Obligations under both the Original Loan Agreement, as amended by this First Amending Agreement, and under the Loan Documents to which they are a party, and (ii) agree that the Original Loan Agreement, as amended by this First Amending Agreement, and the Loan Documents to which they are a party remain in full force and effect and are hereby ratified and confirmed.

## **6. GENERAL**

### **6.3 Entire Agreement**

The parties acknowledge that the Original Loan Agreement, as amended by this First Amending Agreement, represents the entire agreement between the parties with respect to the subject matter covered herein. All representations, promises or incitements, if any, made by the Lender, the Obligors or their respective representatives and on which they rely are contained in the Original Loan Agreement, as amended by this First Amending Agreement, and the parties each expressly acknowledge that they did not, nor do they, rely on any other representation, promise or incitement which is not contained in the Original Loan Agreement, as amended by this First Amending Agreement.

### **6.4 Counterparts**

This First Amending Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute one and the same instrument.

*[signature page follows]*



IN WITNESS WHEREOF this First Amending Agreement has been executed by the parties hereto as of the date first written above.

**BORROWERS:**

**MEDICAN ORGANIC INC.**

By: *"Marc Cernovitch"*

Name: Marc Cernovitch  
Title: EVP – Project Operations

**THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.**

By: *"Sean Bovington"*

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Name: Sean Bovington  
Title: Chief Financial Officer

**THE GREEN ORGANIC DUTCHMAN LTD.**

By: *"Sean Bovington"*

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Name: Sean Bovington  
Title: Chief Financial Officer

**9371-8633 QUEBEC INC.**

By: *"Marc Cernovitch"*

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Name: Marc Cernovitch  
Title: President

**GUARANTORS:**

**THE GREEN ORGANIC HEMP LTD.**

By: *"Sean Bovington"*

\_\_\_\_\_  
Name:  
Title:

**HEMPOLAND s.p. z.o.o..**

By: *"Michal Lewandowski"*

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Name: Michal Rafal Lewandowski  
Title: President of the Management Board

**LENDER:**

**MAYNBRIDGE CAPITAL INC.**

By: “Stephen Davies”

Name: Stephen Davies

Title: SVP and Chief Risk Officer